

## Message Text

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ACTION EA-10

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R 260810Z DEC 74

FM AMCONSUL SURABAYA

TO USDOC WASHDC

AMEMBASSY JAKARTA

INFO SECSTATE WASHDC 0504

AMEMBASSY SINGAPORE

AMCONGEN HONGKONG

AMCONSULATE MEDAN

USIA WASHDC

UNCLAS SURABAYA 0624

E.O. 11653: N/A

TAGS: BEXP, ID

SUBJECT: SURABAYA TRADE PROMOTION EVENT: SUGAR MILL  
CONSTRUCTION AND REHABILITATION

REFS: A. STATE 279435

B. JAKARTA 15253

C. JAKARTA 15002

D. JAKARTA 15003

E. SURABAYA 0532

DEPT. PASS EXIM, STATE FOR EA/IMS GEBER, USDOC FOR BIC/OED/MEPD & OIM

1. CONSULATE GREATLY APPRECIATES POSITIVE ASSISTANCE FROM USDOC,  
DEPARTMENT, AND EMBASSY JAKARTA  
IN EFFORT TO MOUNT SUGAR INDUSTRY  
MISSIONARY SALES EFFORT IN SURABAYA. WE FULLY ENDORSE  
RECOMMENDATIONS REF B, WHICH WILL MAXIMIZE U.S. COMPANIES  
OPPORTUNITIES TO ENTER MARKET FOR NEW SUGAR MILLS AND  
MACHINERY FOR REHABILITATION PROGRAM IN PRIVATE AND  
GOVERNMENT SECTORS.

2. CONSULATE BELIEVES THAT MISSION MEMBERS SHOULD REPRESENT  
WIDEST RANGE OF SUGAR INDUSTRY SERVICES AND LARGEST POSSIBLE  
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NUMBER OF COMPANIES INTERESTED IN DOING BUSINESS HERE. IT WOULD

BE USEFUL TO MAKE SURABAYA EVENT AN ADJUNCT OF JAKARTA VISIT BY U.S. CONSORTIUM PRIMARILY INTERESTED IN PROPOSAL FOR NEW SUGAR MILL CONSTRUCTION, BUT THIS WOULD NOT MEET OUR LOCAL NEEDS. AS NOTED REF B, MARKET POTENTIAL FROM REHABILITATION OF BOTH PRIVATE AND GOVERNMENT MILLS ON JAVA WILL EQUAL OR SURPASS MARKET FOR NEW MILLS IN COMING DECADE. AS REHABILITATION PROCESS IS NOW GETTING UNDERWAY, AMERICAN COMPANIES HAVE AN OPPORTUNITY TO PENETRATE MARKET BEFORE BUYING PATTERNS AND MACHINERY LINES BECOME SET. SUCCESS OF AMERICAN ENDEAVOR WILL DEPEND ON OUR MAKING FAVORABLE IMPRESSION ON LOCAL DECISION MAKERS BY DEMONSTRATING AMERICAN INTEREST AND ABILITY IN FULL SUGAR INDUSTRY EQUIPMENT FIELD.

3. CONSULATE HAS OBTAINED TENTATIVE APPROVAL FOR USE OF AUDITORIUM OF BINATIONAL CENTER (LIA) NEAR CONSULATE. AUDITORIUM IS ABOUT 25 X 46 FT, AIRCONDITIONED, AND HAS COVERED PORCHES AROUND A LARGE GRASSY COURTYARD. IF THIS SPACE IS CONSIDERED INADEQUATE, THEN THERE ARE SEVERAL SUITABLE ALTERNATE SITES AVAILABLE IN CITY. IN EITHER CASE, WE NEED TO KNOW AS SOON AS POSSIBLE APPROXIMATE DATES FOR PROMOTION EVENT IN ORDER TO RESERVE DISPLAY AREA.

4. WE WOULD LIKE TO INFORM EAST JAVA GOVERNOR NOER OF TIMING OF UPCOMING EVENT AS SOON AS POSSIBLE. GOVERNOR IS HYPERACTIVE IN PROVINCE DEVELOPMENT EFFORT AND WE EXPECT HIS FULL SUPPORT FOR THIS EVENT. IF WE CAN TELL GOVERNOR THAT THIS SHOW IS LIKELY TO TAKE PLACE IN FEBRUARY OR MARCH, WE COULD USE WEIGHT OF HIS OFFICE TO SMOOTH FLOW OF MATERIALS THROUGH CUSTOMS, ETC. IN ADDITION, HIS OFFICE CAN PROVIDE LIAISON WITH GOVERNMENT AGENCIES.

5. FOR SURABAYA PORTION OF DUAL TASK FORCE, WE SUGGEST DISPLAY OF WIDEST POSSIBLE RANGE OF SUGAR MANUFACTURING EQUIPMENT. WE BELIEVE CATALOG PRESENTATION BACKED UP BY MODELS IS ESSENTIAL AND THAT MULTIMEDIA SUPPORT, ESPECIALLY SLIDES AND FILMS, AND STATIC DISPLAYS, WOULD HAVE GREAT IMPACT. IF POSSIBLE, MISSION SHOULD BRING SMALL PORTABLE SUGAR RESEARCH EQUIPMENT OF THE LATEST TYPE, SUCH AS ANALYZERS, POLARIMETERS, SPECTROFOTOMETERS, ETC., FOR DEMONSTRATION TO AUDIENCE. MINISTER OF AGRICULTURE RECENTLY STATED THAT WITHIN FIVE YEARS INDONESIA INTENDS TO RAISE SUGAR PRODUCTION FROM 106 TONS PER HECTARE TO 165 TONS, UNCLASSIFIED

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THE PREWAR PRODUCTION FIGURE. SINCE EAST JAVA IS THE CENTER OF INDONESIAN SUGAR INDUSTRY, EVENT IS CERTAIN TO DRAW LARGE CROSS-SECTION OF MANAGERS FROM BOTH PRIVATE AND GOVERNMENT MVBAQFFUB. THUS, INCLUDING IN TASK FORCE A MEMBER WHO COULD DESCRIBE RECENT IMPROVEMENTS IN SUGAR GROWING AND PROCESSING TECHNIQUES WOULD BE VERY WELL RECEIVED. SUCH A PRESENTATION WOULD BE TIMELY AND USEFUL, AND WOULD REINFORCE LOCAL BELIEF THAT U.S. LEADS IN SUGAR PRODUCTION TECHNOLOGY.

6. IN REPOSE TO REF A PARA 4, MISSMRF SHOULD PLAN TO BRING MINIMUM SIX SETS OF CATALOGS: TWO FOR SHOW ITSELF, TWO FOR EAST AND CENTRAL JAVA BKU-PNP OFFICES, AND ONE EACH FOR JSPU AND SUGAR MILL ASSOCIATION. ADDITIONAL COPIES TO DISTRIBUTE TO EACH BKU-PNP AREA OFFICE AND INDIVIDUAL UNASSOCIATED PRIVATE MILLS WOULD BE USEFUL BUT ARE NOT ESSENTIAL.

7 IN ORDER TO PUBLICIZE EVENT AND TO ENCOURAGE MAXIMUM PARTICIPATION, WE PLAN TO PLACE ANNOUNCEMENTS IN AREA BUSINESS NEWSLETTERS AND MAGAZINES, AND, VIA USIS, IN LOCAL PRESS SHORTLY BEFORE TASK FORCE ARRIVES. WE ALSO WILL ESTABLISH LIAISON WITH THE OFFICES OF STATE-OWNED SUGAR MILLS AND JOINT SUGAR PROJECTS UNIT. WILL PLAN TO INFORM PRIVATE SUGAR MILLS THROUGH THEIR PROFESSIONAL ASSOCIATION, AND THEN VISIT OR WRITE MILL MANAGERS PERSONALLY TO SEEK THEIR PARTICIPATION. DURING TASK FORCE VISIT, I WOULD HOST SEVERAL SOCIAL FUNCTIONS WHERE SUGAR INDUSTRY OFFICIALS FROM EAST AND CENTRAL JAVA WOULD HAVE THE OPPORTUNITY TO MEET WITH U.S. VISITORS IN INFORMAL SETTING.

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